

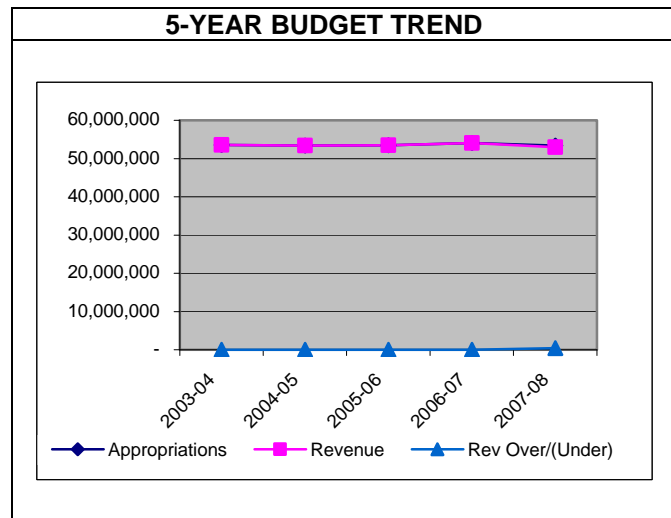
Medical Center Lease Payments

DESCRIPTION OF MAJOR SERVICES

This unit funds the cost of long-term lease payments to the Inland Empire Public Facilities Corporation for the Arrowhead Regional Medical Center (ARMC) facility. Funding sources include state revenues from SB 1732 that provides supplemental reimbursement for construction, renovation, or replacement of medical facilities or fixed equipment, operating transfers from ARMC representing Medicare and fee for service revenues, and operating transfers from the general fund backed by Health Realignment revenues and tobacco settlement proceeds.

There is no staffing associated with this budget unit.

BUDGET HISTORY



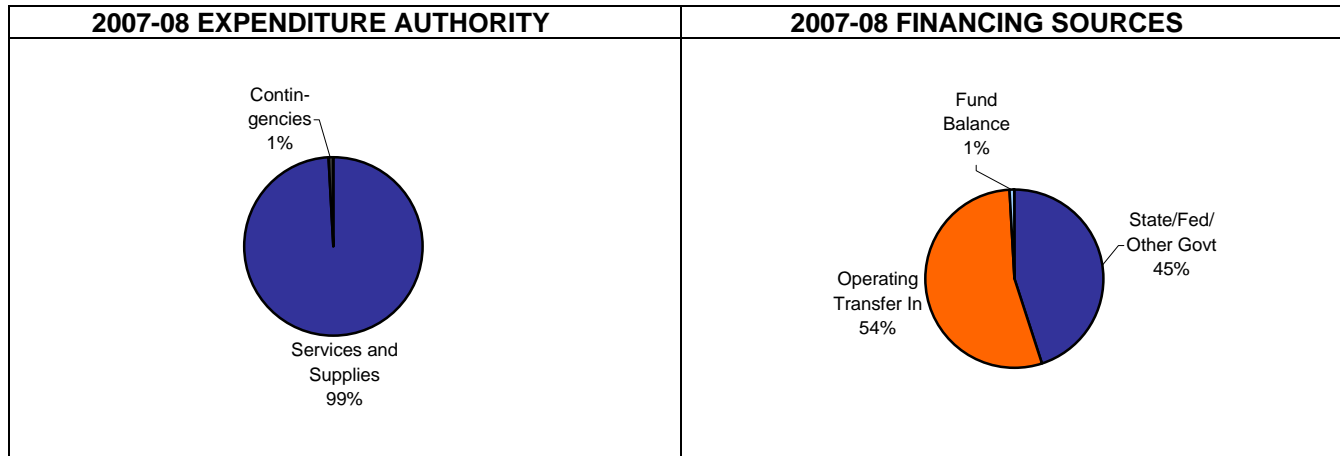
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Actual
Appropriation	53,519,080	53,267,557	53,485,019	54,023,686	52,143,704
Departmental Revenue	53,519,080	53,267,557	53,485,019	54,023,686	52,554,589
Rev Over/(Under) Exp	-	-	-	-	410,885

Actual appropriation is less than modified budget due primarily to lower than budgeted lease payments, which were the result of savings realized from one-time excess interest revenue in one of the debt service reserve funds, in the amount of \$1.1 million. In addition, there was savings on the interest rate swap associated with the 1998 Medical Center Bonds, in the amount of \$835,494.



ANALYSIS OF FINAL BUDGET



GROUP: Administrative/Executive
DEPARTMENT: Joint Powers Lease
FUND: ARMC Lease Payments

BUDGET UNIT: EMD JPL
FUNCTION: General
ACTIVITY: Property Management

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Actual	2006-07 Final Budget	2007-08 Final Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	53,519,080	53,267,557	53,485,019	52,143,704	54,023,686	53,008,963	(1,014,723)
Contingencies	-	-	-	-	-	410,885	410,885
Total Appropriation	53,519,080	53,267,557	53,485,019	52,143,704	54,023,686	53,419,848	(603,838)
Departmental Revenue							
State, Fed or Gov't Aid	22,165,895	20,259,346	21,521,301	26,594,189	24,280,903	24,001,225	(279,678)
Total Revenue	22,165,895	20,259,346	21,521,301	26,594,189	24,280,903	24,001,225	(279,678)
Operating Transfers In	31,353,185	33,008,211	31,963,718	25,960,400	29,742,783	29,007,738	(735,045)
Total Financing Sources	53,519,080	53,267,557	53,485,019	52,554,589	54,023,686	53,008,963	(1,014,723)
Rev Over/(Under) Exp	-	-	-	410,885	-	(410,885)	410,885

Services and supplies of \$53,008,963 are decreased to reflect decreased lease payments and associated fees of \$1,014,723.

On February 13, 2007, the Board of Supervisors approved a change to county Budget Financing Policy 02-09 requiring that any benefit realized on interest rate swap agreements by the county be retained as a contingency to offset the county share of any future increases in debt service caused by the swap agreement. Contingencies of \$410,885 are established for 2007-08 and shall become cumulative until such time as the contingency amount reaches \$5.0 million.

State aid of \$24,001,225 is decreased by \$279,678 due to a decrease in SB 1732 reimbursement. A portion of the medical center lease payments is reimbursed by the state through the Construction Renovation/Reimbursement Program (SB 1732). The amount reimbursed by the state depends on the allowable lease payments multiplied by a rate that is calculated by the state every year. The rate fluctuates up or down based on the actual Medi-Cal inpatient days paid to Arrowhead Regional Medical Center.

Operating transfers in of \$29,007,738 are funded by \$10.7 million of Tobacco Master Settlement Agreement monies and \$10.3 million of Realignment. The remaining \$8.0 million represents revenues anticipated to be generated by Arrowhead Regional Medical Center and transferred to fund the remaining debt service lease payment.

